

281027Z Nov 05

ACTION AF-00

INFO	LOG-00	AID-00	AMAD-00	CIAE-00	INL-00	DODE-00	DS-00
	EB-00	EUR-00	UTED-00	FRB-00	H-00	TEDE-00	INR-00
	IO-00	LAB-01	L-00	M-00	NEA-00	NSAE-00	NSCE-00
	OIC-00	OMB-00	NIMA-00	PA-00	MCC-00	GIWI-00	PRS-00
	P-00	SP-00	IRM-00	SSO-00	SS-00	STR-00	FMP-00
	R-00	SCRS-00	DSCC-00	PRM-00	DRL-00	G-00	NFAT-00
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FM AMEMBASSY NDJAMENA
TO SECSTATE WASHDC 2644
INFO AMEMBASSY ABUJA
AMEMBASSY BAMAKO
AMEMBASSY NIAMEY
AMEMBASSY LIBREVILLE
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY YAOUNDE
DEPT OF TREASURY WASHDC
USDOC WASHDC
DOE WASHDC

UNCLAS NDJAMENA 001690

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: PGOV PHUM KDEM

SUBJECT: CHAD: UPDATE ON OIL REVENUE LAW REVISIONS

REF: NDJAMENA 1662

¶1. (SBU) Summary: The Government's proposed revisions to the oil revenue management law are moving through the legislative process. The National Assembly originally planned to debate them on December 14, but a dispute within the majority group in the legislature may slow down the process. In a meeting with charge, Minister of Plan Mahamat Ali Hassan hinted that there could be other changes proposed by the deputies themselves that could eliminate the Oil Revenue Management College altogether. Upon his return to N'Djamena from eastern Chad, a seemingly vigorous President Deby orchestrated a rent-a-crowd rally to demonstrate the popularity of the proposed changes. Independent civil society groups strongly oppose the revisions and suspect that the Government is also trying to impose control over the College by altering its membership. In a related move, the Government has also put on hold the work of the U.S. Treasury advisor. Taken together, recent events suggest that the Government intends to follow through on the revisions and take greater control over its oil resources.
End Summary.

¶2. (U) National Assembly deputies are now reviewing the Government's proposed revisions to the oil revenue management law. The floor debate was originally scheduled for December 14. However, the National Assembly clerk told P/E officer on November 25 that the proposed revisions have been taken off the legislative calendar. He said that the legislators could begin considering the proposal on December 20, but no date has been set at this time. Of the 155 deputies, the ruling Movement for Patriotic Salvation (MPS) and its allies control 119 of the seats in the National Assembly.

¶3. (SBU) Four members of the College expressed their concerns over the Government's proposal to add a representative from the yet-to-be named Economic and Social Council to the College. Other government representatives currently on the College are technocrats or involved in budget execution. A Government representative from the Council, a body being set up to advise the President, would compromise the working relationship already established among the various representatives, according to Dobian Assingar, the human rights group representative on the College.

¶4. (SBU) Discussions with other College members revealed that the representatives of the Supreme Court, non-governmental organizations, and trade unions also share his concerns about the independence of the College in the future. The Government is also proposing extending the mandate of member to nine years. Our discussions with government and non-governmental members of the College also indicate an emerging rift between College members, who to date have worked well together.

15. (SBU) The GOC's proposed revision is also generating opposition from members of civil society. Local NGOs have publicly voiced their concerns over the revisions and the impact they will have on productive developmental usage of the oil revenues. Chadian labor unions announced their intention to hold a public strike on December 5 to protest the government's inclusion of Public Security and Territorial Administration as eligible priority sectors, but exclusion of any mention of paying off its salary arrears to disgruntled civil servants.

16. (SBU) Against this backdrop, the Government has put a hold on the work of the U.S. Treasury Advisor. In an exchange of letters between the Minister of Plan Mahamat Ali Hassan and College President Lamana Abdoulaye, Hassan indicated problems with the Treasury Advisor's terms of reference and also directed Abdoulaye that the Advisor should not begin working at the College until the revisions to the oil revenue management law are passed. Charge and P/E officer met with the Minister on November 17 to clarify the Government's position on the Treasury Advisor's presence. The Minister of Plan said that on the terms of reference, he would study them carefully and send his questions for clarification to Abdoulaye. He promised to send his revisions "soon." As of today, the College has not received any correspondence from the Ministry.

17. (SBU) During the discussion, the Minister of Plan explained that the National Assembly deputies might propose their own changes to the oil revenue management law, which go further than those proposed by the Government and could change the work of the College.

18. (SBU) Charge attended public speech by President Deby on November 16, at which he emphasized the importance of Chad's sovereignty. The speech was given at a ruling party political rally, which was attended by paid participants and demonstrators carrying signs in favor of the oil law revisions. Appearing vigorous and in command during his 35 minute speech, Deby also warned that would not tolerate "disorder" and vowed to deal sternly "adventurers" who sought to undermine the government for personal gain.

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COMMENT
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19. (SBU) The Minister of Plan's comments are worrisome because the ruling-party controlled National Assembly has a well-established track record of doing the President's bidding, such as recommending the removal of presidential term limits. Given that the legislature has never acted independently of the Government, the Minister's comments might be a veiled threat that the Government, through the deputies, could abolish the College altogether. The Government has given no indication that it has received various letters of concern about the process from members of Congress, the international financial institutions, or international non-governmental organizations.

110. The Government is undeterred by growing opposition to the proposed changes from groups within Chad and key international actors. The Government continues with its strategy to deflect responsibility for the proposed changes, claiming on the one hand that it is under pressure from the Chadian public to have more control over the oil resources and then, on the other hand, manipulating the ruling party deputies to propose the changes.

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